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UNCLAS SECTION 01 OF 10 TEL AVIV 001700

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STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM  
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA  
HQ USAF FOR XOX  
DA WASHDC FOR SASA  
JOINT STAFF WASHDC FOR PA  
USCINCCENT MACDILL AFB FL FOR POLAD/USIA ADVISOR  
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD  
COMSIXTHFLT FOR 019

JERUSALEM ALSO FOR ICD  
LONDON ALSO FOR HKANONA AND POL  
PARIS ALSO FOR POL  
ROME FOR MFO

E.O. 12958: N/A  
TAGS: IS\_KMDR MEDIA REACTION REPORT  
SUBJECT: ISRAEL MEDIA REACTION

Please note: no Tel Aviv Media Reaction report  
Wednesday, May 3, 2006, Israel's Independence Day  
holiday.

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SUBJECTS COVERED IN THIS REPORT:  
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- 11. Mideast
- 12. Iran
- 13. Israel's 58th Independence Day

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Key stories in the media:  
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All media reported on events related to the Remembrance Day for the Fallen of Israel's Wars, and Israel's 58th Independence Day, which will be celebrated tonight through Wednesday night. Prof. Sergio Della Pergola of the Hebrew University, one of Israel's top demographers, was quoted as saying in an interview with The Jerusalem Post that for the first time since the first century, there are more Jews in Israel than in any other country, including the US, and that within 30 years the majority of Jews in the world will be living in Israel.

The media reported that on Monday, Interim PM Ehud Olmert nominated the following Kadima party members as ministers in his government: Tzipi Livni -- FM and Vice PM (Olmert was Vice PM under Ariel Sharon); Shimon Peres -- Minister for the Development of the Negev; Abraham Hirchson -- Finance Minister; Haim Ramon -- Justice Minister; Shaul Mofaz -- Transportation Minister in charge of strategic dialogue with foreign countries; Avi Dichter -- Internal Security Minister; Meir Sheetrit -- Housing and Construction Minister; Roni Bar-On -- Interior Minister; Zeev Boim -- Immigrant Absorption Minister; Gideon Ezra -- Environment Minister; Jacob Edery -- Liaison between the government and the Knesset. In addition to Kadima's ministers, the cabinet is to include seven ministers from the Labor Party: Defense Minister Amir Peretz; Education Minister Yuli Tamir, National Infrastructure Minister Binyamin Ben-Eliezer, Agriculture Minister Shalom Simhon, Minister-Without-Portfolio in charge of culture, sports, and Jerusalem affairs Ophir Pines-Paz; and Minister-Without-Portfolio with responsibility for the Israel Broadcasting Authority Eitan Cabel. The cabinet will also include four Shas ministers: Industry, Trade, and Labor Minister Eli Yishai; Communications Minister Ariel Attias; and two ministers-without-portfolio, who The Jerusalem Post said are expected to be Yitzhak Cohen and Meshulam Nehari, one of whom will have responsibility for religious services. Lastly, there will be two ministers from the Gil Pensioners' Party: Rafi Eitan, who will be in charge of pensioners' affairs, and Health Minister Ya'acov Ben-Yizri. Israel Radio reported that Avigdor Lieberman's Yisrael Beiteinu party has announced that it would not join the government. Leading media reported that Olmert is still seeking to broaden the government coalition. On Thursday, after a debate, the Knesset is expected to

approve the agreements, guidelines, and ministers, after which Olmert and his cabinet will be sworn in. The media reported that Olmert has chosen Kadima MK Dalia Itzik to become the next Knesset Speaker -- an appointment that must be approved by the Knesset. She would be the first woman to hold the position.

The Jerusalem Post reported that on Monday, government officials rejected the notion that Mofaz's appointment as the minister in charge of Israel's strategic dialogue with various countries around the world would in any way step on FM Livni's toes.

Peres was quoted as saying on Monday, in an interview with The Jerusalem Post, that Olmert is likely to meet with PA Chairman [President] Mahmoud Abbas upon his return from Washington later this month. Peres was also quoted as saying that the new Israeli government had not ruled out the possibility of reaching a negotiated agreement with the Palestinians. The Jerusalem Post quoted Peres as saying that the Hamas government would crumble, as it was already unable to pay salaries and otherwise function as a government.

As customary on the eve of Independence Day, the major newspapers highlighted interviews with IDF Chief of Staff Lt. Gen Dan Halutz. In his interview with Ha'aretz, Halutz was quoted as saying that he is currently opposed to a ground force operation in the Gaza Strip. Yediot highlighted Halutz's assertion in the interview with the newspaper that Iran is concerned about Israel's capability to harm it. Ma'ariv emphasized Halutz's remark in the interview with the newspaper that Iran's nuclear program can be stopped.

Israel Radio reported that on Monday, Quartet special envoy James Wolfensohn tendered his resignation to Secretary of State Condoleezza Rice, because of the

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situation created after Hamas rose to power in the PA. Israel Radio reported that in a report he handed Secretary Rice, Wolfensohn criticized the Western

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states' decision to stop aid to the PA, and wondered whether they intend to abandon the PA after they invested almost one billion dollars in an effort to build Palestinian institutions and the Palestinian economy -- steps that are needed for the establishment of a Palestinian state. Wolfensohn was quoted as saying that it is impossible to win through starving the Palestinians, and that the UN and the aid organizations would not be able to fill the PA's place, should it collapse following the growing economic distress there. Israel Radio quoted Secretary Rice as saying that the US was increasing its efforts to transfer humanitarian aid to the Palestinians. The station reported that Secretary Rice reiterated her hope that the Hamas government would accede to the Quartet's demands so that contacts with the PA government can be facilitated. Shimon Peres was quoted as saying in an interview with the radio that Hamas is responsible for the failure of Wolfensohn's mission. Ha'aretz also reported on Wolfensohn's resignation.

The Jerusalem Post reported that Stuart Levey, Under Secretary for Terrorism and Financial Intelligence in

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the US Treasury, arrived in Israel Monday for a 30-hour visit to FM Livni today to discuss the prevention of aid from Hamas with high-ranking Israeli officials. Israel Radio reported that Stuart Levey will meet with FM Livni today. The station reported that Israel's National Security Adviser Giora Eiland has prepared for Levey a list of Palestinian organizations and institutions, dividing them between those that can receive funds; borderline organizations; and organizations that would clearly transfer the funds to Hamas.

Yediot cited the belief of Israeli politicians that Olmert will offer the Washington ambassadorship to former Jewish Agency Chairman Sallai Meridor.

Hatzofe reported that Kafah Nuahdeh from the village of Yamun, one of the Palestinians recently arrested by Israeli security forces, intended to blow himself up on Independence Day at Haifa's Central Bus Station.

Ha'aretz reported that on Monday, the Defense Ministry published an updated map of the separation fence running through the West Bank. The newspaper said that the map includes a fenced-in road that will link Ariel with central Israel.

Yediot quoted Dr. Rahman Gharemanpour, one of the directors of Iran's nuclear program, as saying in an interview with the Italian daily *Il Giornale* that Iran may recognize Israel in a few years.

Ha'aretz, Yediot, and The Jerusalem Post quoted Abbas as saying Monday that he does not intend to run for PA Chairmanship after his term ends in 2009.

Leading media cited the belief of US intelligence experts that the first signs of a split have recently appeared in the leadership of Al Qaida.

The Jerusalem Post quoted visiting former Russian PM Yevgeni Primakov as saying that Russia is looking to triple its trade volume with Israel by 2010. Primakov signed a pact in Tel Aviv this week to advance economic cooperation with Israel.

Yediot and Hatzofe reported that Dov Weisglass, who was a senior adviser to Ariel Sharon and Ehud Olmert, is expected to be appointed chairman of the large Israeli telecommunications company Bezeq. Yediot wrote that Weisglass will continue to advise Olmert on diplomatic affairs.

Leading media reported that convicted spy Jonathan Pollard and his wife, Esther, have petitioned the High Court of Justice against Olmert and Pensioners' Party Chairman Rafi Eitan. Ha'aretz quoted Pollard's attorney Nitzana Darshan-Leitner as saying that Eitan, Pollard's former handler, "deserted him [Pollard], making him a scapegoat at the hands of the Americans, and helped bring about his trial when the affair was disclosed." Pollard is asking the High Court to "investigate Eitan's negligence" and his "intentional desertion of Pollard to save his skin." This morning Israel Radio reported that the High Court refused to issue a temporary ruling barring Eitan from becoming a minister, but that it asked Olmert and Eitan to answer the Pollards' petition within three weeks.

Yediot reported that in a year, construction of a community intended for young and wealthy immigrants from the US will start in the Negev.

Yediot reported that 50 illegal Israeli workers were arrested during a Homeland Security Department operation. The newspaper quoted immigration lawyer Liam Schwartz as saying they are expected to be jailed for an extended period before being deported.

Maariv noted that the USD dollar has reached its lowest point on the Israeli market in the past eight months -- 4.484 shekels.

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## 11. Ehud Olmert's Emerging Government:

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### Summary:

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Independent, left-leaning Ha'aretz editorialized: "From this moment on, Olmert must focus on one key task, something he undertook to do in his election campaign: dismantling the settlement enterprise ... and pulling Israel's population together within new borders."

Diplomatic correspondent Ben Caspit wrote in popular, pluralist Maariv: "Today we can say with near-certainty that there will be no convergence. At most, there will be mini-convergence."

### Block Quotes:

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#### I. "Olmert's Fateful Year"

Independent, left-leaning Ha'aretz editorialized (5/2): "From this moment on, Olmert must focus on one key task, something he undertook to do in his election campaign: dismantling the settlement enterprise established by his predecessors and pulling Israel's population together within new borders. This is to ensure that Israel continues to enjoy a Jewish majority and ends the subjugation of millions of Palestinians. Olmert should learn from those who preceded him that his first year as prime minister is critical. The

political situation that the election created -- a state without a dominant ruling party and with chronic governmental instability -- means that he has no time to dally.... One cannot overstate the enormity of the task facing the new prime minister. Implementing the convergence plan will take a huge political, diplomatic, financial and military effort. Enlisting the support of the United States, completing the separation fence, deploying the IDF, immediately implementing an evacuation plan, and compensating and relocating the uprooted settlers are all vital components of the plan -- but they alone are not enough. Dismantling dozens of settlements located on the other side of the separation fence will entail a conflict with the ideological core of the settlement movement, which is still clinging to its dreams even after failing to prevent the evacuation of Gush Katif.... During the course of the coalition talks, Olmert used language softer than his pre-election rhetoric. He avoided using the word 'convergence' and allowed Shas to join his coalition without committing to the plan to dismantle settlements. One can only hope that these were tactical concessions, not a sign of future vacillation."

## II. "Big Bang, Small Effect"

Diplomatic correspondent Ben Caspit wrote in popular, pluralist Maariv (5/2): "On Monday, Ehud Olmert completed the establishment of a government whose expiration date has already been stamped on it. This is the broadest narrow government ever established here.... On Monday, Olmert's people succeeded in convincing some of the commentators that this is a personal achievement and a significant victory for the prime minister. If this is what victory looks like, God save us from defeat. So what is Kadima's message? Do they remember Ariel Sharon, with his original vision?.... Olmert's banner, which he proclaimed under every green microphone, is 'convergence.' Today we can say with near-certainty that there will be no convergence. At most, there will be mini-convergence. Something symbolic, sane, to meet the obligation. Olmert boasted loudly that any party that wanted to join his government would have to accept convergence as a precondition. And now, Shas is in his government, celebrating its billions, holding the letter that exempts it from the curse of convergence. If United Torah Judaism remains outside, Shas will become the sole representative of the right wing and the religious in Olmert's government. History shows that this will be a temporary representation.... These are the days after the big bang. As big as it was, its effect is turning out to be small. Those who eulogize the Likud do so on their own cognizance. As things appear now, this bang will soon disperse in all directions, everything will pass and fade away and things will go back to what they were before, like before. How sad."

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## 12. Iran:

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### Summary:

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Deputy Managing Editor and right-wing columnist Caroline B. Glick wrote in the conservative, independent Jerusalem Post: "Germany's behavior toward Iran is a clear sign that for all its Holocaust memorializing ... Germany has not learned the lessons of the Holocaust."

### Block Quotes:

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"Germany's Honored Guest"

Deputy Managing Editor and right-wing columnist Caroline B. Glick wrote in the conservative, independent Jerusalem Post (5/2): "Perhaps in exchange for Iran's presidential pardon for the Holocaust and the release of his German hostage, Germany has agreed to host Ahmadinejad in Germany if he decides to attend the Iranian national team's opening game against Mexico in Nuremberg. Germany has also agreed to coordinate its actions to secure the games with the Iranian government..... Germany's refusal to isolate Ahmadinejad goes hand in hand with its appeasement of Iran's nuclear ambitions.... Germany's refusal to place any sanction on Iran is disturbing, because as German political scientist Matthias Kuntzel argued in the Transatlantic Intelligencer last December, 'If there is a western nation today that has the means to confront [Iran's nuclear weapons program] with effective

sanctions, it is Germany'.... Germany's behavior toward Iran is a clear sign that for all its Holocaust memorializing, for all its anti-Nazi legislation, and for all its protestations of friendship with Israel and the Jewish people, Germany has not learned the lessons of the Holocaust. The main lesson of the Holocaust is not that war is bad and must therefore be avoided at all costs. The main lesson of the Holocaust is that evil is bad and must be fought with every effective means. By trading with Iran and protecting Iran from those who point out its obvious dangers not only to Israel but to the entire world, Germany is protecting evil and thus advancing its cause."

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**13. Israel's 58th Independence Day:**  
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Summary:  
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Senior columnist and longtime dove Yoel Marcus wrote in independent, left-leaning Ha'aretz: "So what is this 'four years from now' business that Olmert is yapping about? Who needs four years? We've already got a doozy of a country."

Economic correspondent Gideon Eshet wrote in mass-circulation, pluralist Yediot Aharonot: "Our bondage to the Americans has long gone beyond material concerns."

Block Quotes:  
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**I. "A Doozy of a Country"**

Senior columnist and longtime dove Yoel Marcus wrote in independent, left-leaning Ha'aretz (5/2): "Once a year, on Independence Day, the grumbling Israeli straightens up and convinces himself that he lives in a wonderful country. As a famous critic once said of Mahler's music: It's not as bad as it sounds. The same applies to Israel. Really. People whine and complain, but personally, they are much better off than they think. All in all, Israelis can look back in satisfaction: The Israeli army ranks among the world's five strongest armies; Israel belongs to the club of eight with a satellite in space; and Israel is one of world's seven nuclear powers. The trouble is that after a day of partying and merrymaking, the citizen returns to reality.... Fifty-five percent of the public says that the new government is no good. Why didn't they go down to the polling station on Election Day to make it better? The real 'existential threat' is the one that looms over the old people and the terminally ill, whom the state would just as soon let die. Or the threat of earthquakes, considering Israel's location along the Syrian-African Rift. Oh, and let's not forget the Iranian nuclear threat. But with Amir Peretz as defense minister and the Red Dawn early-warning system that alerts us five whole seconds before a Qassam rocket falls, what do we have to fear? So what is this 'four years from now' business that Olmert is yapping about? Who needs four years? We've already got a doozy of a country."

**II. "A Celebration of Bondage"**

Economic correspondent Gideon Eshet wrote in mass-circulation, pluralist Yediot Aharonot (5/2): "Had the United States done to Israel what it has done to Cuba for decades, Israel wouldn't exist. And since we're talking about independence, and independence being mainly a material business, we'd better understand that our existence depends entirely on that country's good will. The ministers of the Israeli government must at once bow to the American Embassy in Tel Aviv.... But our bondage to the Americans has long gone beyond material concerns. The real bondage is the way in which we look at the key questions in our lives.... American economic ideology ... includes the rule that the idea of a welfare state is bad.... When we celebrate independence, we'd better remember that we're in fact celebrating bondage."